

# Key Points of Second Term Offer



Video for the Steps to Make a Second Term Offer



## Landlord to make an offer

Landlord must, within the offer period, state the proposed renewed rent on the Form AR1 and sign it, then serve it on the tenant to make a second term offer

## Offer period

It is the second calendar month immediately before the calendar month in which the purported second term tenancy commences



## Renewed rent is regulated

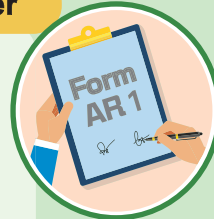
The Second Term Tenancy Rent Calculator available at the Rating and Valuation Department's website can be used to calculate the maximum amount of renewed rent permitted by law



Second Term Tenancy Rent Calculator

## If tenant accepts the offer

- Tenant may still negotiate the rent with the landlord. If the landlord agrees to revise the rent, both parties must sign against the revised amount of rent as stated on the Form AR1
- Tenant must sign and serve the Form AR1 received on the landlord before the expiry of the first term tenancy, otherwise the tenant is taken to have rejected the offer and will not be granted the second term tenancy



## Landlord must bear the stamp duty and submit Form AR2

- Landlord must bear solely the stamp duty and return a copy of the stamped Form AR1 to the tenant within 30 days; and
- Submit Form AR2 to the Rating and Valuation Department within 60 days after the tenancy commences



## If landlord fails to make an offer to the tenant

- Landlord is taken to have made an offer to the tenant and the renewed rent is to be the amount of rent last payable for the first term tenancy
- If the control percentage is a negative figure, the renewed rent has to be reduced by that percentage

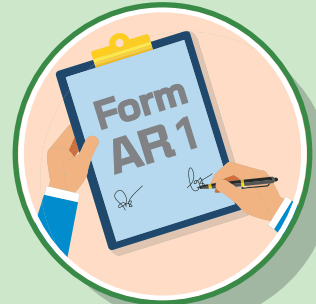


# Regulated Tenancies of Subdivided Units



Applicable Forms

## Applicable Documents and Information



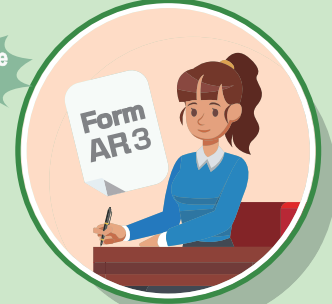
### Form AR1

Landlord must use this statutory form, within the offer period, to serve on the tenant to make a second term offer (See specimen overleaf)



### Form AR2

Landlord must, within 60 days after the tenancy commences, submit this Notice of Tenancy to the Rating and Valuation Department



### Form AR3

It facilitates tenant to enquire about Notice of Tenancy



### Form AR4

For tenant to report landlord's acts of suspected offence to the Rating and Valuation Department



### Template for Tenancy Agreement

It facilitates landlord and tenant to enter into a written tenancy agreement



### Rental Information

The latest median rents by area and district for reference



enquiries@rvd.gov.hk 2150 8303  
15/F, Cheung Sha Wan Government Offices,  
303 Cheung Sha Wan Road, Kowloon



Second Term Tenancy of Subdivided Units

#### Disclaimer

The purpose of this leaflet is to introduce the main provisions of Second Term Tenancy of Regulated Tenancies under Part IVA of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7). This leaflet is not a legal document, nor can it be regarded as an authoritative legal interpretation. Anyone who has questions about the provisions of the Ordinance should seek the advice of a lawyer.

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Rating and Valuation Department



Regulated Tenancies of Subdivided Units

RVD500B (09/2023)

## FORM AR1

## Landlord and Tenant (Consolidation) Ordinance (Cap. 7)

## Part IVA – Regulated Tenancies

## Offer for Second Term Tenancy of a Regulated Cycle

Note: In this Form AR1, the terms “first term tenancy”, “second term offer”, “second term tenancy”, “second term tenancy” and “subdivided unit” have the meanings assigned to them by section 120AA(1) of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7).

- (1) Landlord's Name: \_\_\_\_\_ (the “Landlord”)
- (2) Tenant's Name: \_\_\_\_\_ (the “Tenant”)
- (3) Particulars of the Subdivided Unit (the “Premises”):
- Room \_\_\_\_\_  Cubicle \_\_\_\_\_  Rooftop house \_\_\_\_\_  Podium house \_\_\_\_\_
- Loft \_\_\_\_\_  Bedspace \_\_\_\_\_  Space capsule \_\_\_\_\_  Other type: \_\_\_\_\_
- situated in: \_\_\_\_\_
- Flat / Unit: \_\_\_\_\_ Floor: \_\_\_\_\_ Block: \_\_\_\_\_
- Building name: \_\_\_\_\_
- Development / Estate name: \_\_\_\_\_
- Building number: \_\_\_\_\_
- Street name: \_\_\_\_\_
- District: \_\_\_\_\_ Area:  HK  KLN  NT
- (4) Period of the Second Term Tenancy: from Day \_\_\_\_\_ Month \_\_\_\_\_ Year \_\_\_\_\_ for a term of **2 years**
- (5) Landlord's Second Term Offer at the Proposed Amount of Rent
- I, the Landlord, hereby offer you, the Tenant, a second term tenancy of the Premises described in (3) above for the period specified in (4) above subject to the terms and conditions referred to in (8) below (“the Offer”) at the proposed amount of rent at Hong Kong Dollars \_\_\_\_\_ per month.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

(Landlord)

## (6) Tenant's Acceptance of the Offer at Landlord's Proposed Amount of Rent

I, the Tenant, accept the Offer at the proposed amount of rent as stated in (5) above.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

(Tenant)

## (7) Landlord's Revised Proposed Amount of Rent for the Second Term Tenancy and Tenant's Acceptance of the Offer at the Revised Amount of Rent (Applicable only when the proposed amount of rent in (5) above has been subsequently revised as agreed between the Landlord and the Tenant)

After negotiation, the Landlord, who has signed below, agrees to revise the proposed amount of rent for the second term tenancy offered to the amount stated below (the “Revised Amount of Rent”), and the Tenant, who has signed below, agrees to accept the Offer at the Revised Amount of Rent.

Revised Amount of Rent at Hong Kong Dollars: \_\_\_\_\_ Signed: \_\_\_\_\_ Date: \_\_\_\_\_

(Landlord)

\_\_\_\_\_ per month \_\_\_\_\_ Signed: \_\_\_\_\_ Date: \_\_\_\_\_

(Tenant)

- (8) Except the period of the second term tenancy and the amount of rent, all the terms and conditions of the second term tenancy should be the same as those contained in the first term tenancy between the Landlord and the Tenant. In any event, no terms and conditions of the second term tenancy should contravene Part IVA of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7).